

No. 134.

The Hon. the POSTMASTER-GENERAL, Wellington, to Sir AUDLEY COOTE, Sydney.

(Telegram.)

Wellington, 26th June, 1900.

Yours fifth. Tenders will probably be called for, and you will be advised when this decided.

No. 135.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 26th June, 1900.

PACIFIC cable and . . . telegram from Secretary of State for Colonies, giving outline London Committee's report: This Government agrees with proposals so far as relate cost of manufacturing and laying cable, estimated annual expenditure, and proposed cable-rate of two shillings a word; but I should be glad to learn views other colonies before forwarding reply to Secretary of State. Consideration of the other questions may, I think, be deferred until receipt of the full report. You are no doubt aware that we passed Act last session fixing New Zealand's proportion of guarantee at one-ninth of the whole cost, and total cost of cable £1,700,000. Will you kindly forward copies of this message to Postmasters-General, Victoria and Queensland, for reply.

PROPOSED CAPE-AUSTRALIA CABLE.

No. 136.

The ACTING-MANAGER in AUSTRALASIA, Eastern Extension Company, to the Hon. the POSTMASTER-GENERAL, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),

SIR,—

Melbourne, 27th July, 1899.

I have the honour to send for your information copy of a letter to the Hon. the Postmaster-General, Victoria, submitting a proposal by my company for an all-British cable to Australia *via* the Cape, together with a reduction of the tariff to four shillings, and a further reduction on a sliding-scale as traffic increases.

I have, &c.,

J. EUSTON SQUIER,

Acting Manager in Australasia.

The Hon. the Postmaster-General, Wellington, New Zealand.

Enclosure in No. 136.

The ACTING-MANAGER in AUSTRALASIA, Eastern Extension Company, to the Hon. the POSTMASTER-GENERAL, Victoria.

The Eastern Extension Australasia and China Telegraph Company (Limited),

SIR,—

Melbourne, 24th July, 1899.

Referring to the proposal made to your Government by this company in my interview with you on the 14th instant, I have the honour to confirm the same, with additional particulars supplied by my head office:—

“As public opinion in Victoria apparently favours an alternative cable *via* the Cape rather than the Pacific, and, according to the Chancellor of the Exchequer's admission, the company's Cape proposal was also preferred by the Imperial Government, but fell through because Australia refused to assist it, we are willing to meet the difficulty by making the following liberal concessions—namely, we will entirely waive the renewal of the subsidy and guarantee against competition, and, in addition to providing a cable all the way to Glenelg, *via* Perth, will agree to at once reduce the tariff to four shillings, and make further reductions on a sliding-scale as traffic increases. In return for the above, the company would only require the same privilege in Perth, Adelaide, and Melbourne as they have hitherto enjoyed in Great Britain, of directly delivering and collecting their international telegrams to and from the public.”

The privilege mentioned as enjoyed in Great Britain is that the companies pay the British Post Office £5 yearly per mile for each wire, and work both ends by their own operators, collecting and delivering traffic direct with the public. All telegrams to places other than those where the companies have offices are dealt with by the Post Office, who are paid their ordinary inland tariff.

I might mention that a rate based upon that stated above would bring in a revenue to your Government quite as much as that now derived from the international traffic, and the salaries of operators would be saved.

The first half of the all-British Cape-Australian cable—namely, between Great Britain and Cape Colony—is now being manufactured; and, if the company's terms are accepted, the whole line might be in working-order within two years.

I have, &c.,

J. EUSTON SQUIER,

Acting Manager in Australasia.

The Hon. J. Gavan Duffy, M.L.A.,
Postmaster-General of Victoria, Melbourne.